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Recent Setbacks Aside, C.I.A. More 'Human' Spies

The following dispatch is based on reporting by Joel Brinkley and Stephen Engleberg and was written by Mr. Engleberg.

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WASHINGTON, Nov. 13 — Despite recent problems with defectors and its own employees, the Central Intelligence Agency remains committed to rebuilding this country's network of covert intelligence operatives, reversing a trend of extensive reliance on technological intelligence gathering.

The Reagan Administration, with the support of Congress, has concluded that its predecessors placed too much emphasis on the gathering of intelligence by sophisticated satellites, communications listening posts and high-flying airplanes.

Under William J. Casey, Director of Central Intelligence, the Reagan Administration has embarked on a major effort to expand and re-emphasize traditional espionage, called "human intelligence" in the jargon of the intelligence field.

Many Agents Rehired

Officials said Mr. Casey had rehired many of the veteran intelligence officers dismissed by Adm. Stansfield Turner, the Carter Administration's Director of Central Intelligence, in his move to trim the size of the agency's clandestine services.

Administration officials say the espionage branch has benefited from significant increases in resources. They say morale has improved from the low point of the mid-1970's, when it was the focal point of several highly critical

Congressional investigations.

The events of the last few weeks have demonstrated the potential for dramatic reverses, which, officials say, prompted the Carter Administration to prefer technical methods to traditional espionage. In a recent interview, a senior Carter Administration intelligence official said the Government then believed human spies were "messy" and prone to cause embarrassment.

The Yurchenko Affair

Days later, there was evidence supporting such doubts. Vitaly S. Yurchenko, a K.G.B. officer whose defection was hailed as a major intelligence coup, appeared at a news conference to denounce the C.I.A. and say he was returning to the Soviet Union.

Just a few weeks before, Edward Lee Howard, a former C.I.A. officer who had been forced to resign by the agency, fled the country after officials determined that he had helped Soviet intelligence identify a valued American agent in Moscow.

Despite these cases, Administration officials say their faith in the potential of "human intelligence" is unshaken. "This will just be a mini-blip on a large radar screen," a senior intelligence official said. "I don't think this will influence the rebuilding program."

Officials say that by far the greatest bulk of intelligence is gathered through technical methods. That balance is unlikely to change, but the Administration's is trying to recruit significant numbers of agents and defectors in third-world countries as well as in the Soviet Union and the Eastern bloc.

Virtually every President in recent years has complained about so-called

intelligence failures, in Iran, South Africa, Lebanon and Grenada, among other places. Most of those failures have been blamed on a lack of reliable eyewitness reports.

This fall, Robert C. McFarlane, President Reagan's national security adviser, told a group of business leaders that he believed some American servicemen might still be held captive in Vietnam and said the United States needed "better human intelligence in Vietnam to find them."

"Now we don't have it," he said.

'So Much More Insight'

Senator Dave Durenberger, Republican of Minnesota, the chairman of the Senate Intelligence Committee, said: "A human source can give you so much more insight. We can listen all we want to the Nicaraguan traffic, but we don't know what's going on in the heads of the Sandinistas because we don't have anyone in the Government" relaying intelligence to United States agencies.

Reagan Administration officials say they recognized that American "human intelligence" was inadequate when they took office five years ago. "We were very concerned when we came in that human intelligence had to be reinvigorated," a senior White House official said.

Administration officials also note that many of the C.I.A.'s new objectives, such as stopping terrorists by penetrating their organizations and fighting drug trafficking, can usually be accomplished only by human agents.

Richard Helms, a former Director of Central Intelligence, said, "You're always going to have to have human beings because there are a lot of things you just can't do" by technical means.

But even with the hiring and training of hundreds of additional intelligence officers in the last few years, a senior intelligence official said, it will take a long time to rebuild the nation's

"human intelligence" because acquiring sources — foreign agents willing to work secretly for the United States — takes years of nurturing.

Part of the problem, officials said, is that for a long time the United States did not try to recruit Soviet agents.

A principal mission of most intelligence officers stationed abroad is to recruit local officials or others as spies. But it was not until the late 1970's that the C.I.A. "got into the business of trying to recruit Soviets," because the agency was convinced that it was impossible, a senior intelligence officer said in an interview.

Until then, he added, "most of the Soviet sources were walk-ins," meaning people who came forward on their own, volunteering to spy.

Other officials said the United States reliance on unmanned microphones and cameras in the last years helped insure the need for more human agents. Knowing that the United States was listening and photographing, the Soviet Union has stopped doing certain

things in open view, over insecure telephones or in open publications.

In a recent speech, Robert Gates, the C.I.A.'s Deputy Director for Intelligence, said that "the data we need is harder and harder to get," and added that "in the Soviet case, economic information which has been available for years is no longer released."

In addition, according to Senator Malcolm Wallop, Republican of Wyoming, who was a senior member of the intelligence committee until this year, the Soviet Union can exploit the United States' dependence on electronic intelligence gathering.

As an example, a few years ago an American photo-reconnaissance satellite passing over the Soviet Union photographed an unusually large submarine at berth. On a subsequent pass, after a storm, the satellite image showed that the submarine had been folded in half.

It was determined that the vessel was a fake, made of rubber, designed to deceive Americans watching by satellite, intelligence officials said.

Many present and former intelligence officials say the deception problem is overstated. "It's a bunch of hogwash," said Adm. Daniel J. Murphy, who was a senior C.I.A. official in the mid-1970's and recently resigned as chief of staff for Vice President Bush.

But Mr. Gates said that "we are seeing other countries engaged in camouflage and deceptive activities" intended to thwart technical espionage.